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MEMORANDUM

NATIONAL SECURITY COUNCIL

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by the Central Intelligence Agency
Date: 13 NOV 13

AR70-14 HISTORICAL
COLLECTIONS

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July 1, 1977

TO: The Vice President
The Secretary of State
The Secretary of Defense

ALSO: The Director of Central Intelligence

SUBJECT: Discussion Paper for July 5 PRC Meeting

Attached is a discussion paper for the PRC Meeting on the Middle East scheduled for July 5, 1977, 3:30 - 5:00 p.m.

Christine Dodson
Staff Secretary

Attachment

NSC REVIEWED 12 JUNE 2007 NO OBJECTION TO DECLASSIFICATION AND RELEASE

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DISCUSSION PAPER FOR PRC MEETING
ON MIDDLE EAST

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Beyond recognizing that it will be difficult at every stage to produce Israeli or Arab concessions, we cannot predict how successful we will actually be in our efforts. Our strategy, as we go along, will depend to a significant degree on the amount of success we have, however. It will be useful, as a basis for discussion, to trace through different scenarios, postulating varying degrees of success. To begin with where we are today, the first questions concern preparation for and conduct of the Begin visit. Depending how the visit comes out, we will then have choices to make in our subsequent strategy.

Our Goals in the Visit

We will want from the Begin visit:

- Begin's agreement in some form, publicly if possible, that Israel is prepared to negotiate on the basis of Resolution 242 and that it interprets the Resolution as calling for withdrawal to mutually agreed borders on all fronts in return for peace;
- Begin's private agreement to refrain from significant new settlement development in occupied territories, at least pending the outcome of serious negotiation;
- Israeli acceptance of the need for pre-Geneva diplomatic activity to achieve a reasonable level of prior agreement and to assure insofar as possible the success of a Middle East Conference;
- A clearer picture of what the Israelis want from the Arabs, in a settlement, as evidence of peaceful intent.

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Begin's Goals

While it is not clear precisely what Begin's goals will be in his meeting with the President, he will likely want to avoid, if possible, having the talks seem to have failed. He will also, of course, want to avoid any impression that he has caved in to the U.S. If he cannot have the full success of winning the President over to his point of view, he will probably prefer an equivocal outcome that can be portrayed as a success, giving him the legitimacy he can derive from establishing a satisfactory relationship with Washington (witness his play of the President's letter) but not reflecting any explicit undertakings that would make serious inroads on his policies.

It is conceivable, though not likely, that Begin may believe the best way out of the dilemma that negotiations pose for Israel is to bring about their collapse. He might calculate that, no matter how irritated we would be with the Israelis if we believed them responsible, we would have no choice but to align ourselves more completely with them as the Arabs turned toward Moscow and a policy of growing militancy. In such a case, he could look on the visit as an opportunity to take such a hard line that we would see no purpose in pursuing the negotiating effort.

Strategy For the Visit

In the talks with Begin we will want to lay out completely and frankly:

- our perception of the Middle East dispute, how we read the situation, what we see as Arab attitudes and motivations, trade-offs for Israel as between a settlement and no settlement, etc.;
- how we see our own interests;
- what we are prepared to try to get for Israel in terms of peace and security;
- what Israel will have to give, in our judgment, to get real peace.

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We will want to stress the safeguards that can be built into the negotiating process, so that Israel will not find itself under pressure to make the actual withdrawals until every reasonable provision has been made to ensure a secure and durable peace. On the other hand, we will want to get across to Begin that Israeli unwillingness to contemplate West Bank withdrawal, and to forego a politically significant settlement development program on the West Bank, would likely bring to an end the chances for serious negotiation. To have negotiations founder for these reasons would put the onus squarely on Israel, and we would have no alternative in such circumstances but to acknowledge Israeli responsibility. While remaining loyal to our commitment to Israeli security, we would have to look as well to the protection of our other interests in the area. Even though it is unlikely Begin will seek to scuttle the negotiations, we should do what we can to discourage any belief on his part that failure of the negotiating process and the dynamic it would set moving in the area would automatically bring us even more firmly to Israel's side against the Arabs.

Activity Prior to the Visit

There are two general approaches to preparing for the visit:

- keep the dialog--and contention--between ourselves and Israel to a minimum, leaving the President an atmosphere as open and in a sense as positive as possible in which to conduct these critical talks;
- reiterate forcefully our concept of the need for peace and the shape of a settlement--emphasizing what this will require of Israel--in an effort to create an atmosphere in which Begin is on the defensive and must concentrate on what he will have to give in order to produce a successful visit; lower his expectations and heighten his concerns.

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However we proceed, the most important thing will be to prevent the Israelis from putting us on the defensive in the talks by creating an atmosphere, in advance, in which our announced policies begin to look unreasonable and unbalanced and our expectations are insensibly lowered. This will require timely, but not provocative, restatements of our point of view, emphasizing their balance and reasonableness.

Our contacts with the Arabs should be designed: to keep our position, in all its elements, clear; to reduce Arab anxieties that might lead to unwise and provocative statements on their part; to remove any concern that the Israeli hard line might be bending our own. If we can, meanwhile, produce some helpful Arab statements on the nature of peace to use with Begin, so much the better.

Good Outcome of the Visit

Begin might be prepared to accept, at least in private, as a price for the success of his visit, time-limited restraint on West Bank settlements and a willingness to examine the prospects for genuine peace before definitively foreclosing, in principle, any West Bank withdrawal. If we can get this from him, as well as cooperation with our efforts to seek further substantive agreement prior to Geneva and some definition of what he wants from the Arabs on peace, Secretary Vance can approach the Arabs, on his trip, along the following lines:

- We have pressed Begin to negotiate without preconditions;
- It is critical that the Arabs engage Begin in negotiations because only with realistic proposals on the table and with serious negotiations going on will the U.S. be in position to press for Israeli responses on the key issues;
- There is no realistic chance of inviting the PLO to attend Geneva as a separate delegation at the outset; if negotiations

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are to take place, we will have to invite the original parties to begin with and the Arabs will have to deal with the question of initial PLO participation in that context; [we might be prepared to establish some official contact ourselves with the PLO, short of actual "recognition or negotiation"];

- If we are to pursue this course with some chance of success, we need the most concrete possible Arab positions on the nature of peace;
- We want to arrange a time frame and agenda on this trip; we will try for as much substantive agreement as possible prior to the conference, but we are convinced the interest of peace lies in getting to Geneva whatever the level of prior agreement. [Alternatively: We will try for as much substantive agreement as possible prior to the conference. We are convinced the interest of peace lies in getting to Geneva, so it becomes of signal importance to find enough areas of agreement that this becomes possible to do].

Secretary Vance will probably need to make two circuits: the first time around reporting on the talks with Begin; giving our conclusions about PLO participation and the need for Arab movement on the nature of peace; and making reasonably specific proposals for Geneva agenda and timing. On the second circuit he would ask for agreement of the parties on these questions to the extent possible, enabling him to come home with the main points of an agenda and a rough time frame for Geneva, as well as Arab understanding that we would invite the original Geneva parties.

Following the Vance trip, there would need to be consultations with the Soviets and Waldheim, and further contacts with the parties. In the latter we would refine agreement on the Geneva Conference and attempt to increase the extent of agreement on substantive issues.

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There is, of course, the possibility--perhaps a good possibility--that the Arabs will not go along with our strategy. It will be seen by them as designed to accommodate a tough Israeli position by asking more of the Arabs than of Israel. The most likely stumbling block will be Palestinian representation. Assad in particular may consider that he cannot afford to acquiesce in a compromise approach to PLO representation (however he may privately feel about it). The hard-line Israeli attitude would seem to him to make it so likely that negotiations, even if the Arabs took the political flak of participating without the PLO, would fail to produce acceptable substantive results.

A negative Arab response on this point will face us with a difficult choice. If we allow the negotiating process to bog down on this procedural issue, before the basic substantive questions are even on the table, Israel could argue that it had tried to negotiate but the Arabs had been unwilling, and it would feel free to proceed with annexation of the West Bank. The Middle East situation would rapidly unravel. We would have two main alternatives to this course:

- invite the PLO, including in the invitation in some form a recognition of Israel's right to exist;
- keep the issue open, together with a date for convening Geneva, and continue bilateral negotiations on this as well as on the substantive issues.

It is highly unlikely the Israelis would agree to an invitation being extended to the PLO under any circumstances, and they would probably refuse to come to Geneva if the PLO attended on the basis of an invitation extended without Israeli agreement. They would also charge us with violation of our understanding with them to concert our strategies.

A Less-Good Outcome of Begin Visit

In the event that Begin will not agree to an explicit freeze on West Bank settlements or to a flexible

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interpretation of Resolution 242, but is prepared to put the best possible face on it, we would have two major alternatives:

- try to achieve an ambiguous outcome, muting points of difference and emphasizing what we can agree on--the need to press on to Geneva, e.g.; or,
- bring the differences into the open in such a way as to make clear Begin's responsibility for the resulting danger to the negotiations.

The major advantage of putting a good face on the visit, or at least avoiding the impression that it was a failure, would be to give ourselves maximum opportunity to keep the negotiating process going. If the Arabs believe we have failed with Begin they will take this as signalling little hope for the success of any negotiations, and they will be most reluctant to make the concessions that will be necessary for Geneva to take place. Once the negotiating process begins to seem in serious trouble, Assad and Sadat may well consider it necessary to commence shifting their policies away from the search for a negotiated settlement in association with the U.S.

The advantage of allowing Begin's lack of give to come through, and of drawing the consequences by de-emphasizing Geneva, is that it gives us a favorable context in which to begin disassociating ourselves from a negotiating effort that seems likely to fail. Further commitment of the U.S., particularly of the President personally, might seem unwise in these circumstances.

If we choose to put the best face on the Begin visit outcome, and succeed in obscuring the hard lines of the Israeli position, we could proceed essentially as in the case of a good outcome. The main difference would be that we would have even less to work with in persuading the Arabs to take a flexible position, and they in turn would be more likely to refuse the concessions we would ask of them.

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If we choose, on the other hand, to begin backing away from the negotiating process--specifically, suspending the idea of a Geneva Conference--on the grounds of Israeli intransigence, we will find ourselves at the threshold of a new stage requiring a new strategy. We will confront the question of how to preserve our Middle East position in the absence of an active negotiating process. We can try to keep some life in the process while reducing our own commitment and exposure, but the Arabs equate the chances for negotiating success almost entirely with our willingness to put our full weight into the scales. To have any chance of maintaining our position in the principal Arab states we would have to shift our policy to reflect our appreciation that Israel was responsible for the failure of the negotiations. Given domestic restraints, however, we would have serious difficulty in practice with any shift that went beyond such political measures as reducing support for Israel in international forums. To get domestic backing for a more profound confrontation, it would be necessary to proceed farther in the negotiations to the point where a credible and authentic peace appeared to be available to Israel if it would make the necessary concessions.

Bad Outcome of the Begin Visit

It may not be possible to blur an Israeli unwillingness to give us the undertakings on West Bank settlements and Resolution 242. Though Begin would be unlikely to prefer this course, if it were difficult to avoid he might feel that an open confrontation on these issues at this time would be one he could win. He might believe he could bring the negotiating process to an end and still retain U.S. support in facing the return to more militant policies on the part of the Arab states. In fact, he could with some justice reason that a failure of the negotiating effort would estrange us from the Arabs and align us, willy nilly, more firmly on his side.

If the visit ends in this way, we will have two main alternatives:

- accept that the situation is unpropitious for a Geneva Conference and try to shift the negotiations into low gear;

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- press ahead regardless, endeavoring to get the Geneva Conference going on the basis of minimal prior agreement.

In the first case we would be faced with the need for a new strategy, as in the case of a decision to reduce our commitment to the negotiations (foregoing section). Secretary Vance might make a swing through the area as part of an effort to give a longer-term cast to the settlement process. Given domestic constraints, however, he would have little to offer the Arabs in the near term once we had written off an early Geneva Conference.

If we decide to press ahead regardless of a failure with Begin, Secretary Vance would want to emphasize to the Arabs that we can effectively confront a hard-line Israeli position only in the context of active negotiations. However much we might have wanted to reach wide agreement prior to Geneva, we cannot do so with the Begin Government in office. We are prepared to take on Israel about the West Bank when this issue is reached in the negotiations, but for that we need to get Geneva underway. The Arabs will be extremely skeptical, not understanding why, if we have the will, we cannot take on Begin now. They will not have many good alternatives, however, and might decide to go along. Once again, the Palestinian representation problem would be difficult for them to handle in this generally down-beat atmosphere.

In these thoroughly unpropitious circumstances, the somewhat desperate option of simply sending out the invitations to Geneva without prior agreement of the parties would need to be examined. The major, and perhaps insurmountable problem, would be Soviet unwillingness to omit the PLO without Arab consent or at least tacit acquiescence.

The Geneva Conference and Prior Agreement

The chances of getting much agreement on the major substantive issues prior to convening Geneva are slight. Agreement on the Palestinian representation issue alone will be a major achievement and is far from assured.

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In favorable circumstances we might hope for prior agreement along the following lines, in addition to re-statement of the elements of Resolution 242:

- the goal is a comprehensive peace settlement;
- the basis for negotiation is Resolutions 242 and 338;
- any settlement must include a solution for the Palestinian problem;
- withdrawal is related to the nature of peace and to security arrangements along the final borders, as well as to external guarantees;
- there are practical arrangements that can increase the security of the final borders.

It is not difficult to see, however, that one or another side could have difficulty with even these bland formulations (considering formulations for this purpose makes clear how much more limited the possibilities are with the Begin Government than with the Labor Government, though there never was any real possibility of getting agreement on the tough issues of borders and on the nature of peace except through months of intensive negotiation).

In less favorable circumstances many of these formulations might have to be foregone. That would be manageable, though, so long as there was agreement on the procedural aspects of the plenary conference and on the organizational structure in which the continuing negotiations were to be carried on after the plenary recessed. Such a minimal plenary conference would still have the advantages of:

- creating a dynamic negotiating situation in which both sides would find it more difficult to avoid facing the hard decisions and in which our influence could more effectively be brought to bear; and,

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-- gaining time for Assad and Sadat in their association with us.

It would of course have the disadvantages that the plenary could end without much follow-on work available to give credibility to the process, and that the less the prior agreement the greater the chance the conference would be perceived as having failed or as having achieved so little as to bring the whole process into question.

A Word About the West Bank

Although it would be unwise to introduce this thought prematurely, it may be useful for us to begin thinking about the significance of the factors which will make negotiating on the West Bank different from negotiating on the Sinai or Golan. The main difference is that there will be not only the same border and security problems as on the other two fronts but there would also be the question of how to deal with the question of who will govern any territory from which Israel withdraws.

The implication of these differences is that we may want to lay the groundwork at some point for putting any discussion of the West Bank on a different time line from discussion of the Golan and Sinai. If those latter negotiations went well, this approach could have the advantage of increasing pressure for progress on the West Bank. It would also have the advantage of decreasing PLO leverage over the other negotiations.

The import of this point for the Begin visit and the Secretary's trip is that we could offer to try to slow the pace of discussions on the West Bank if Begin would agree to discuss some of the Palestinian-related problems there seriously to keep the negotiations alive. We would not want to commit ourselves to deferring the issue indefinitely as he would, but there might be some room for discussion of timing.

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